

REMARKS

This Amendment and Request for Reconsideration is submitted in response to an outstanding Office Action dated December 23, 2008, the shortened statutory period for response having expired on March 23, 2009. A petition and fee for an extension of time are enclosed. In the event that the Commissioner determines a further extension of time is required, the undersigned petitions for any required extension of time and authorizes the Commissioner to charge any required fee to the Milbank deposit account 13-3250.

I. Status of the Claims

Please cancel claims 20 and 23 without prejudice, and amend claims 1, 17, 18, 19, 21, 22, 24 and 25 as indicated above. Claims 1-19, 21-22 and 24-25 are now pending in the application. Claims 1, 17, 18, 19, 21, 22, 24 and 25 are independent claims.

II. Rejections under 35 U.S.C. § 101

The Examiner has rejected claims 1-25 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Applicants have amended the claims in view of the recent *Bilski* holding, and respectfully submit that the claims are within the boundaries of what the Federal Circuit has identified as statutory subject matter under § 101. Withdrawal of the rejection is requested.

III. Rejections under 35 U.S.C. § 103

The Examiner has rejected claims 1-3, 5-8, 9-16, 18 and 20-22 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Publication No. 2008/0071667 to Himmelstein ("*Himmelstein*") in view of U.S. Patent Publication No. 2004/0199449 to Rudkin ("*Rudkin*"), and U.S. Patent Publication No. 2006/0155621 to Bell ("*Bell*"). Claims 4, 17, 19 and 23-25 are rejected under 35 U.S.C. § 103(a) as being unpatentable over *Himmelstein* in view of *Rudkin*, and

Bell and further in view of U.S. Patent Publication No. sic 2002/0116310 to Cohen et al.

“(Cohen”).

Respectfully, for the instant application claims, *Himmelstein* is not a proper § 102 or § 103 prior art reference for any teaching with regard to **employee** stock options.

The instant application was filed September 17, 2003. It claims priority to a provisional application filed June 27, 2003. Thus the disclosure of any reference relied on must pre-date the June 27, 2003 priority date.

Himmelstein was filed November 21, 2007 and was published March 20, 2008. Standing alone, it is not § 102 or § 103 prior art unless it can show a valid claim to priority before June 27 2003 for the matter relied on. *Himmelstein* does claim priority to 09/454,035 (“the ‘035 application”), filed December 3, 1999. However, to be valid § 102 or § 103 prior art, that ‘035 application must disclose the features relied on by the Examiner.

In the rejection relying on *Himmelstein*, the Examiner cites to [0041], and claims 29 and 37. However, [0041] does not disclose or suggest **employee** stock options. Instead, [0041] of *Himmelstein* discusses stocks and *Himmelstein* options. The term “**employee**” does not appear in [0041] of *Himmelstein*. The claimed employee stock options are not the same as stock or *Himmelstein* options. *Himmelstein* at [0041] does not disclose expressly or by implication **employee** stock options. *Himmelstein* can’t disclose **employee** stock options at [0041] because it doesn’t even use the term **employee** stock option.

As reflected in PAIR, Claims 29 and 37 were added to *Himmelstein* by preliminary amendment on November 21, 2007. Neither claim appears in the ‘035 application. Therefore, claims 29 and 37 are not § 102 or § 103 prior art. The title of *Himmelstein* was also changed by preliminary amendment on November 21, 2007 to include the words “employee

stock option.” Prior to November 21, 2007, the title was “Electronic Bartering System.”

An electronic search of U.S. Patent No. 7,080,050, which issued from the ‘035 application does not find a single instance of the term “**employee.**”

An electronic search of *Himmelstein* only finds the term “**employee**” in the amended title and the newly added claims, neither of which qualify as § 102 or § 103 prior art. Thus, since [0041] does not disclose employee stock options and claims 27 and 39 are not prior art, *Himmelstein* does not disclose or suggest the **employee** stock option features relied on by the Examiner. The other references cited by the Examiner do not overcome this deficiency.

Applicants have not addressed the other statements in the Office Action because the rejection relying on *Himmelstein* is so clearly without support. However, Applicants do not admit that any of those other arguments are proper or supported by the prior art.

Withdrawal of the § 103 rejection is requested.

IV. Request for Reconsideration

Applicants respectfully submit that the claims of this application are in condition for allowance. Accordingly, reconsideration of the rejection and allowance is requested. If a conference would assist in placing this application in better condition for allowance, the undersigned would appreciate a telephone call at the number indicated.



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PATENT
Docket No.: 36287-04402

Respectfully submitted,
Milbank, Tweed, Hadley & McCloy LLP

A handwritten signature in black ink, appearing to read "Chris L. Holm", written over a horizontal line.

Chris L. Holm
Reg. No.: 39,227